



**CABINET FOR HEALTH AND FAMILY SERVICES  
DEPARTMENT FOR MEDICAID SERVICES**

**Steven L. Beshear**  
Governor

275 E. Main Street, 6W-A  
Frankfort, KY 40621  
P: 502.564.4321  
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**Janie Miller**  
Secretary

**Neville Wise**  
Acting Commissioner

December 3, 2010

Ms. Jackie Glaze  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations  
Centers for Medicare and Medicaid Services  
61 Forsyth Street, SW, Suite 4T20  
Atlanta, Georgia 30303-8909

RE: SPA 10-014 – Durable Medical Equipment  
Effective Date – December 2, 2010

Dear Ms. Glaze:

Enclosed is a copy of the Kentucky Title XIX Transmittal Number 10-014. This State Plan Amendment updates our Durable Medical Equipment provisions, including removing diabetes supplies from DME section, increasing the Prior Authorization amount to \$500 and other general clean up needed

If additional information is needed, please contact my office at 502-564-4321.

Sincerely,

A handwritten signature in blue ink, appearing to read "Neville Wise".

Neville Wise  
Acting Commissioner

NW/sjh

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
10-014

2. STATE  
Kentucky

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
12/2/2010

5. TYPE OF PLAN MATERIAL (*Check One*):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:  
42 C.F.R. 440.70

7. FEDERAL BUDGET IMPACT:  
a. FFY 2011 - Budget Neutral  
b. FFY 2012 - Budget Neutral

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att 3.1-A, Page 13  
Att 3.1-B, Page 39  
Att 4.19-B, page 20.14

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):  
Same  
Same  
Same

10. SUBJECT OF AMENDMENT

This State Plan Amendment updates our Durable Medical Equipment provisions including removing diabetes supplies from DME section, increasing the Prior authorization amount to \$500 and other general clean up needed.

11. GOVERNOR'S REVIEW (*Check One*):

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED: Review delegated  
to Commissioner, Department for Medicaid  
Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME: Neville Wise

14. TITLE: Acting Commissioner, Department for Medicaid Services

15. DATE SUBMITTED: December 3, 2010

16. RETURN TO:

Department for Medicaid Services  
275 East Main Street 6W-A  
Frankfort, Kentucky 40621

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:



State/Territory Kentucky

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND  
REMEDIAL CARE AND SERVICES PROVIDED TO THE  
MEDICALLY NEEDY

27. Durable Medical Equipment, Medical Supplies, Prosthetics and Orthotics

An item of durable medical equipment, prosthetic, or orthotic shall be durable in nature and able to withstand repeated use. Coverage of an item of durable medical equipment, medical supplies, prosthetics and orthotics shall be in accordance with the following: shall serve a medical purpose; shall not generally be useful to a person in the absence of illness or injury; and shall be medically necessary and reasonable.

- a. A provider must obtain Medicare accreditation unless exempt by CMS standards and have an active Medicare supplier number. ~~be Medicare and Medicaid certified. Items must be medically necessary and, if required, prior authorized.~~
- b. All miscellaneous codes require prior authorization. Any item that does not have a designated HCPCS code and is determined by the department to be a covered item ~~will~~ shall use the designated miscellaneous HCPCS code from the HCPCS Coding Book and require prior authorization.
- c. Any item designated by a covered HCPCS code being reimbursed at ~~\$500.00~~ \$50.00 or more ~~will~~ shall require prior authorization. Prior authorization does not guarantee reimbursement. The recipient must be eligible on the date of service.
- d. All items of durable medical equipment, prosthetic, orthotic, or medical supply ~~will~~ shall require a Certificate of Medical Necessity to be kept on file at the provider's office ~~for five (5) years~~ as indicated in 45CFR 164.316.
- e. The following general types of durable medical equipment, medical supply, prosthetics or orthotics are excluded from coverage under the durable medical equipment program:
  1. Items ~~which that~~ would appropriately be considered for coverage only through other sections of the Medicaid Program, such as frames and lenses, hearing aids, and pacemakers;
  2. Items ~~which that~~ are primarily and customarily used for a non-medical purpose, such as air conditioners and room heaters;
  3. Physical fitness equipment, such as exercycles and treadmills;
  4. Items ~~which that~~ basically serve a comfort or convenience of the recipient or the person caring for the recipient, such as elevators and stairway elevators;
  5. Items needed as a resident of an inpatient program of a hospital, or nursing facility,
  6. Items considered educational or recreational;
  7. Items for the treatment of Diabetes with the exception of items for continuous glucose monitoring.
  8. NDC code A4206 when used for the treatment of Diabetes.
- f. A cast or splint shall be limited to two (2) per ninety (90) day period for the same injury or condition.
- g. Rental items are considered purchased after ten (10) consecutive months of rental.

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- c. Any item designated by a covered HCPCS code being reimbursed at \$~~150~~500.00 or more will shall require prior authorization. Prior authorization does not guarantee reimbursement. The recipient must be eligible on the date of service.
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TN No: 10-014  
Supersedes  
TN No: 06-013

Approval Date: \_\_\_\_\_

Effective Date: 12/2/2010



## XIV. Durable Medical Equipment, Supplies, Prosthetics and Orthotics

## 1. General DME

For DME items that do not require manual pricing, and a HCPCS code is designated on the Medicaid fee schedule, reimbursement shall be based on the Medicaid fee schedule, not to exceed the supplier's usual and customary charge.

## 2. Manual Pricing of DME Items

- a. Any covered item that does not have a HCPCS code shall use a miscellaneous code which will require prior authorization and will be reimbursed at invoice plus twenty (20) percent or as designated on the Medicaid fee schedule, not to exceed the supplier's usual and customary charge.
- b. DME items that are not on the Medicaid fee schedule and have been determined to be a covered service shall required prior authorization and will be reimbursed at invoice plus twenty (20) percent.
- c. DME items designated as MSRP (manufacturer's suggested retail price) shall require prior authorization and will be reimbursed at MSRP less a percentage as designated on the Medicaid fee schedule, not to exceed the supplier's usual and customary charge.

## 3. Rental items are considered purchased after ten (10) consecutive months of rental.